## Jill A. Mathis Independent Wine Consultant The Traveling Vineyard

June 12, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W) 600 Pennsylvania Avenue, NW Washington, DC 20580

RE: Business Opportunity Rule, R511993

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as an Independent Wine Consultant for *The Traveling Vineyard<sup>TM</sup>*. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to market *The Traveling Vineyard<sup>TM</sup>* products.

I have been an Independent Wine Consultant with *The Traveling Vineyard™* since September 2005. When I originally learned about this company, I became very excited and then quickly dishearten because at the time, I resided in a state where I could not start the business. I had been searching for a way to get into the wine industry (insofar as to nearly complete a business plan for a wine-on-premises establishment). I knew that relocating to a new state was my only option, if I wanted to work this business AND fulfill my dream of being an entrepreneur. I am so passionate about what I am doing. I love wine. I love sharing my enthusiasm and wine knowledge with others in a warm non-invasive manner.

Direct selling is a whole new venture for me, not to mention the financial investment I have made in myself and this business. I have been an employee since I was 14 years old. I want my own business. I want to control my time and

no longer sacrifice my energy, ideas and enthusiasm to making someone else rich. In essence, my future is dependent on the stability of the direct selling industry.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new Wine Consultants. *The Traveling Vineyard*<sup>TM</sup> starter kits are very inexpensive. The company offers two starter kit options at \$99.95 or \$249.99. Consumers buy TVs, cars, gym memberships and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because *The Traveling Vineyard*<sup>TM</sup> already has a 90% buyback policy for all products including starter kits purchased by a consultant within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about *The Traveling Vineyard*<sup>TM</sup> and will then need to send in many reports to my company headquarters.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless *The Traveling Vineyard* is found guilty. Otherwise, *The Traveling Vineyard* and I are put at an unfair disadvantage even though *The Traveling Vineyard* has done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to *The Traveling Vineyard* headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a consultant - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Jill A. Mathis